

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Oregon State Office
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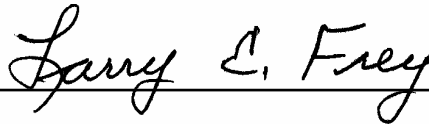
**Oregon Notice
FLP-141**

For: County Offices

FY 2004 Performance Goals for Farm Loan Programs

Approved By: State Executive Director

LEF:LEV:lv



1 Overview

A Background

Farm Service Agency's (FSA's) Farm Loan Programs (FLP) provide assistance to eligible individuals and families to help them become successful farmers and ranchers, and recover from the effects of natural disasters, through supervised credit, outreach, and technical assistance.

Annual performance goals are an important tool in helping FSA employees deliver FLP assistance as described above, accomplish the Agency's mission, and focus effort on activities that will result in accomplishing the objectives set forth in the Agency's 5-year Strategic Plan. Accomplishment of annual program goals improves the success of our borrowers and reduces costs while helping strengthen the family farm.

B Objectives

The primary objectives of our FLP Performance Goals are to :

- increase the number of operations remaining economically viable
- reduce losses in the loan programs
- make the most efficient use of available financial, human, and technological resources
- maintain financial and technical assistance to traditionally underserved groups.

FILING: Preceding FmHA Instruction 1951-A

Disposal

November 1, 2004

01-29-04

Distribution

STO, DD, COR, COC, COF - Including Farm Loan Programs

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1 Overview (Continued)

C Purpose

The purpose of this Oregon Notice is to:

- inform FSA employees of the performance levels achieved in Oregon for FY 2003's FLP Performance Goals
- advise FSA employees of the changes that have occurred in FLP Performance Goals for FY 2004
- communicate the FLP Performance Goals that have been established for Oregon during FY 2004.

2 Performance Goals

A Loan Making Goals

FY 2004 National and State Loan Making goals, and FY 2003 State achievement levels, are shown in the following table.

| Goal Number | | FY '01 - '06 National Goal | Oregon | | |
|-------------|---|--|--------------------|--------------------|------------|
| | | | FY 03 Goal | FY 03 Actual | FY 04 Goal |
| 1 | a | Reduce 1st Yr. delinquency rate on new loans & reams by 25% | 5.30% | 15.70% | 15.40% |
| | b | (Goal discontinued in FY '03) | | | |
| 2 | | (Goal discontinued in FY '02) | | | |
| 3 | | Increase % of FO & OL dollars obligated for SDAs by 25% | 7 % (47 Loans) | 9 % (53 Loans) | 7.00% |
| 4 | a | Reduce direct loan processing time to an average of 15 days | 15 Days | 15 Days | 13 Days |
| | b | Reduce guaranteed loan processing times for all lenders | 14 Days | 12 Days | 12 Days |
| 5 | | Increase % of FO & OL dollars obligated for Beg Farmers to 30% | 19% (157 Loans) | 20% (174 Loans) | 23.00% |

2 Performance Goals (Continued)

A Loan Making Goals (Continued)

Note: Goal 1a includes all new loans made during the previous calendar year (2003), *including* all loans made the previous year in which a delinquency was removed by restructuring the new loan. Goals 3 and 5 are now based on dollars obligated rather than the number of loans or loan guarantees made. Goal 4b groups SEL, CLP, and PLP lenders together, and average days are calculated from the date the application was received until the date of final disposition by FSA.

B Loan Servicing Goals

FY 2004 National and State Loan Servicing goals, and FY 2003 State achievement levels, are shown in the following table.

| Goal Number | FY '01 - '06 National Goal | Oregon | | |
|--------------------|--|-------------------|---------------------|-------------------|
| | | FY 03 Goal | FY 03 Actual | FY 04 Goal |
| 1 | Reduce direct loan dollar delinquency rate to 12.4% or less | 11.20% | 5.20% | 10.5% |
| 2 | Reduce dollar loss rate on direct loans to 4.3% or less | 3.70% | 1.70% | 3.40% |
| 3 | Reduce guaranteed dollar loss rate to 1.783 % or less | 1.880% | 1.531% | 1.820% |
| 4 | Process 80% of complete primary loan servicing requests within 60 days | 80.00% | 86.78% | |

Note: Goal 4 has been eliminated for FY 2004. Tracking will resume when an automated reporting system is available.

C Monitoring Goal Achievement

Progress toward achieving the annual performance goal levels established for Oregon will be monitored and reported monthly using the following:

- Web FOCUS and ad hoc FOCUS reports
- GLS reports
- Finance Office reports, (i.e. RC 540)

3 Action

A Familiarization

All FSA field office personnel need to familiarize themselves with the contents of this Oregon Notice. The setting of annual performance goals is intended to place focus on the FLP program areas in greatest need of attention, beginning at the County Office level. The priority given to these areas of work must be elevated to assure success.

FLP work processes and demands change during the year, but equal effort is required throughout the year to accomplish the goals that have been established. Uniform attention to collections and timely primary and preservation loan servicing provide incentives for borrowers to maintain current loan accounts.

B State Office Action

The FLP staff in the State Office is responsible for:

- providing available FOCUS, and GLS reports to the field staff on a monthly basis
- monitoring the State's goal performance, and reporting results in State Staff minutes
- concluding accelerated accounts, debt settlement cases, and guaranteed loss claims
- providing guidance and assistance to field staff when needed.

C District Director Action

During County Office visits and District Director Oversight Visits, District Directors must devote attention to reviewing the County Office's progress and contribution toward achieving the goals set forth in this Oregon Notice. Report Code 540, AGCREDIT Current Activity Reports, MAC Workload Scheduling Reports, GLS reports, and the monthly goal reports distributed by the State Office, must be reviewed periodically with FLMs, FLOs, and CEDs and PTs responsible for the FLP program area, to assure that delinquent accounts are being serviced, and that applications are being processed, in a *timely* and expeditious manner.

During the periodic reviews, attention should be given to the following items:

- small delinquent balances that can reasonably be collected before primary and preservation loan servicing notices are required to be sent
- applications not being approved or denied within 45 days
- improper flags on accounts
- accounts ready for acceleration or referral to the State Office
- errors needing Finance Office correction.

3 Action (Continued)

D Farm Loan Manager Action

Farm Loan Managers will review the following reports with their FLOs, and CEDs and PT responsible for the FLP program, on at least a monthly basis for the purpose of monitoring each County Office's accomplishments toward achieving desired goal results:

- Report Code 540
- MAC Current Activity Report
- MAC Workload Scheduling Report
- GLS Application Reports
- Monthly goal reports distributed by the State Office staff.

E County Executive Director & County Office Action

County Executive Directors need to help assure that loan making and loan servicing activities assigned to themselves and other FSA employees in the County Office are carried out in a timely and expeditious manner.

4 Reports

A Loan Servicing Goal 4 Report

Manual reporting by County Offices on Loan Servicing Goal No. 4 achievement has been discontinued.

Timeliness in processing primary loan servicing requests remains a priority. The processing of at least 80 percent of our complete primary loan servicing applications within 60 days remains a goal, but goal achievement will not be tracked and monitored until the National Office develops an automated tracking and reporting system.

5 Contacts

A Contact Persons

If questions arise concerning the FY 2004 Performance Goals for FLP, please contact your Farm Loan Manager, District Director, or the Farm Loan Programs Section in the State Office.